
SENATE BILL 5440

State of Washington

56th Legislature

1999 Regular Session

By Senators Kline, Wojahn and Costa

Read first time 01/22/1999. Referred to Committee on Judiciary.

1 AN ACT Relating to moneys paid as deposit or security for
2 performance by tenants; and amending RCW 59.18.270.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 59.18.270 and 1975 1st ex.s. c 233 s 1 are each
5 amended to read as follows:

6 All moneys paid to the landlord by the tenant as a deposit as
7 security for performance of the tenant's obligations in a lease or
8 rental agreement shall promptly be deposited by the landlord in ((a))
9 an interest-bearing trust account, maintained by the landlord for the
10 purpose of holding such security deposits for tenants of the landlord,
11 in a bank, savings and loan association, mutual savings bank, or
12 licensed escrow agent located in Washington. Unless otherwise agreed
13 in writing, ((the)) a landlord who owns fewer than five residential
14 units within the state shall be entitled to receipt of interest paid on
15 such trust account deposits. Each landlord who owns six or more
16 residential units within the state shall direct the depository
17 institution to pay the interest on such trust account deposits to the
18 state treasurer to be placed in the housing trust fund established by
19 RCW 43.185.030. The landlord shall provide the tenant with a written

1 receipt for the deposit and shall provide written notice of the name
2 and address and location of the depository and any subsequent change
3 thereof. If during a tenancy the status of landlord is transferred to
4 another, any sums in the deposit trust account affected by such
5 transfer shall simultaneously be transferred to an equivalent trust
6 account of the successor landlord, and the successor landlord shall
7 promptly notify the tenant of the transfer and of the name, address and
8 location of the new depository. The tenant's claim to any moneys paid
9 under this section shall be prior to that of any creditor of the
10 landlord, including a trustee in bankruptcy or receiver, even if such
11 moneys are commingled.

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